

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2018-318-E**

IN THE MATTER OF:

Application of Duke Energy Progress, LLC	)	<b>SUPPLEMENTAL TESTIMONY</b>
For Adjustments in Electric Rate Schedules	)	<b>OF JON F. KERIN</b>
and Tariffs	)	<b>FOR DUKE ENERGY</b>
	)	<b>PROGRESS, LLC</b>

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1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, OCCUPATION, TITLE, AND  
3 BUSINESS ADDRESS.

4 A. My name is Jon F. Kerin. My business address is 411 Fayetteville  
5 Street, Raleigh, North Carolina, 27601-1849. I am employed by Duke  
6 Energy Business Services, LLC, as Vice President, Coal Combustion  
7 Products (“CCP”) Operations, Maintenance and Governance.

8 Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS  
9 SUPPLEMENTAL TESTIMONY?

10 A. I am submitting this supplemental testimony on behalf of Duke Energy  
11 Progress, LLC (“DE Progress,” or the “Company”).

12 Q. ARE YOU THE SAME JON KERIN WHO FILED DIRECT AND  
13 REBUTTAL TESTIMONY IN THIS CASE?

14 A. Yes.

15 Q. PLEASE DISCUSS THE PURPOSE OF YOUR SUPPLEMENTAL  
16 TESTIMONY.

17 A. The purpose of my supplemental testimony is to address issues relating  
18 to the Order issued by the North Carolina Department of Environmental  
19 Quality (“NCDEQ”) on April 1, 2019 regarding the Company’s  
20 proposed closure plans for ash basins that NCDEQ has classified as  
21 “low risk.” Specifically, I will address NCDEQ’s determination that all  
22 remaining coal ash impoundments in North Carolina, including two  
23 DEP basins, must be excavated and the implications, if any, that decision

1 has on costs the Company is seeking to recover through the instant  
2 South Carolina rate case.

3 **Q. PLEASE DESCRIBE NCDEQ'S APRIL 1, 2019 ORDER AND**  
4 **THE REQUIREMENTS IT PLACES UPON DEP.**

5 A. NCDEQ's April 1, 2019 Order requires DEP and Duke Energy  
6 Carolinas, LLC to close their "low risk" coal ash impoundments located  
7 at six sites in North Carolina via excavation rather than by cap-in-place  
8 closure. The affected DEP basins are located at Mayo and Roxboro, and  
9 DEP is required to submit final excavation closure plans for those basins  
10 to NCDEQ by August 1, 2019.

11 **Q. PLEASE EXPLAIN WHAT IMPACT, IF ANY, NCDEQ'S APRIL**  
12 **1, 2019 ORDER HAS ON DEP'S CURRENT REQUEST TO**  
13 **INCREASE RATES IN SOUTH CAROLINA.**

14 A. NCDEQ's April 1, 2019 Order does not change or impact any of the  
15 actual costs the company is seeking to recover in the instant rate case.  
16 Specifically, with respect to the Mayo and Roxboro basins, the  
17 Company is currently seeking to recover only the costs associated with  
18 dewatering and engineering the basins for closure, as well as the costs  
19 spent to date for closure planning. These activities and their associated  
20 costs would be required under any closure methodology, excavation or  
21 otherwise. Accordingly, the Company's request to recover closure ash  
22 basin closure costs at the Mayo and Roxboro Steam Stations is  
23 unchanged by the NCDEQ Order.

1   **Q.   DOES   THIS   CONCLUDE   YOUR   SUPPLEMENTAL**  
2           **TESTIMONY?**

3   **A.   Yes.**